



CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

**The following constitutes the ruling of the court and has the force and effect therein described.**

**Signed February 11, 2022**

  
**United States Bankruptcy Judge**

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,<sup>1</sup>  
Reorganized Debtor.

Chapter 11

Case No. 19-34054-sgj11

MARC S. KIRSCHNER, AS LITIGATION TRUSTEE  
OF THE LITIGATION SUB-TRUST,

Plaintiff,

v.

JAMES D. DONDERO; MARK A. OKADA; SCOTT ELLINGTON; ISAAC LEVENTON; GRANT JAMES SCOTT III; FRANK WATERHOUSE; STRAND ADVISORS, INC.; NEXPOINT ADVISORS, L.P.; HIGHLAND CAPITAL MANAGEMENT FUND ADVISORS, L.P.; DUGABOY INVESTMENT TRUST AND NANCY DONDERO, AS TRUSTEE OF DUGABOY INVESTMENT TRUST; GET GOOD TRUST AND GRANT JAMES SCOTT III, AS

Adv. Pro. No. 21-03076-sgj

<sup>1</sup> The last four digits of the Reorganized Debtor's taxpayer identification number are (8357). The Reorganized Debtor is a Delaware limited partnership. The Reorganized Debtor's headquarters and service address are 100 Crescent Court, Suite 1850, Dallas, TX 75201.

TRUSTEE OF GET GOOD TRUST; HUNTER MOUNTAIN INVESTMENT TRUST; MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #1 AND LAWRENCE TONOMURA AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #1; MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #2 AND LAWRENCE TONOMURA IN HIS CAPACITY AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #2; CLO HOLDCO, LTD.; CHARITABLE DAF HOLDCO, LTD.; CHARITABLE DAF FUND, LP.; HIGHLAND DALLAS FOUNDATION; RAND PE FUND I, LP, SERIES 1; MASSAND CAPITAL, LLC; MASSAND CAPITAL, INC.; SAS ASSET RECOVERY, LTD.; AND CPCM, LLC,

Defendants.

**ORDER APPROVING STIPULATION REGARDING FORMER EMPLOYEE DEFENDANTS' MOTION TO EXPEDITE MOTION TO STAY ADVERSARY PROCEEDING**

Upon consideration of the *Stipulation Regarding Former Employee Defendants' Motion to Expedite Motion to Stay Adversary Proceeding* [Docket No. 60] (the “Stipulation”), by and among Marc S. Kirschner, as Litigation Trustee of the Litigation Sub-Trust (the “Litigation Trustee”), and the Former Employee Defendants<sup>2</sup> (together with the Litigation Trustee, the “Parties”), it is

**HEREBY ORDERED THAT:**

1. This Stipulation, a copy of which is attached hereto as Exhibit A, is **APPROVED**.
2. The Motion to Expedite is resolved.
3. The deadline for the Trustee to file a response to the Stay Motion shall be February 8, 2022.

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<sup>2</sup> Capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Stipulation.

4. A hearing for the Stay Motion shall be held by this Court on March 3, 2022 at 9:30 a.m. Central Time, as reflected in the Former Employee Defendants' notice of hearing [Docket No. 75].

5. The Stipulation shall become effective immediately upon entry of this Order.

6. The Court shall retain jurisdiction over all disputes arising out of or otherwise concerning the interpretation and enforcement of the Stipulation and this Order.

###End of Order###

# EXHIBIT A

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,<sup>1</sup>

## Reorganized Debtor.

MARC S. KIRSCHNER, AS LITIGATION TRUSTEE  
OF THE LITIGATION SUB-TRUST,

Plaintiff,

V.

JAMES D. DONDERO; MARK A. OKADA; SCOTT ELLINGTON; ISAAC LEVENTON; GRANT JAMES SCOTT III; FRANK WATERHOUSE; STRAND ADVISORS, INC.; NEXPOINT ADVISORS, L.P.; HIGHLAND CAPITAL MANAGEMENT FUND ADVISORS, L.P.; DUGABOY INVESTMENT TRUST AND NANCY DONDERO, AS TRUSTEE OF DUGABOY INVESTMENT TRUST; GET GOOD TRUST AND GRANT JAMES SCOTT III, AS TRUSTEE OF GET GOOD TRUST; HUNTER MOUNTAIN INVESTMENT TRUST; MARK & PAMELA OKADA FAMILY TRUST - EXEMPT TRUST #1 AND LAWRENCE TONOMURA AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST - EXEMPT TRUST #1; MARK & PAMELA OKADA FAMILY TRUST - EXEMPT TRUST #2 AND LAWRENCE TONOMURA IN HIS CAPACITY AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST - EXEMPT TRUST #2; CLO HOLDCO, LTD.; CHARITABLE DAF HOLDCO, LTD.; CHARITABLE DAF FUND, LP.; HIGHLAND DALLAS FOUNDATION; RAND PE FUND I, LP, SERIES 1; MASSAND CAPITAL, LLC; MASSAND CAPITAL, INC.; SAS ASSET RECOVERY, LTD.; AND CPCM, LLC,

## Defendants.

## Chapter 11

Case No. 19-34054-sgj11

Adv. Pro. No. 21-03076-s gj

## STIPULATION

<sup>1</sup> The last four digits of the Reorganized Debtor's taxpayer identification number are (8357). The Reorganized Debtor is a Delaware limited partnership. The Reorganized Debtor's headquarters and service address are 100 Crescent Court, Suite 1850, Dallas, TX 75201.



**STIPULATION REGARDING FORMER EMPLOYEE DEFENDANTS' MOTION TO EXPEDITE MOTION TO STAY ADVERSARY PROCEEDING**

This stipulation (the “Stipulation”) is made and entered into, subject to Court approval, in the above-captioned adversary proceeding (the “Adversary Proceeding”) by and among Marc S. Kirschner, as Litigation Trustee of the Litigation Sub-Trust (the “Trustee”), and Scott Ellington, Isaac Leventon, Frank Waterhouse, and CPCM, LLC (the “Former Employee Defendants” and with the Trustee, the “Parties”), by and through their respective undersigned counsel.<sup>2</sup> In support of the Stipulation, the Parties respectfully state as follows:

WHEREAS, on October 16, 2019, Highland Capital Management, L.P. (“HCMLP”), filed a voluntary petition for relief under title 11 of the United States Code with the United States Bankruptcy Court for the District of Delaware. The case was subsequently transferred to the Bankruptcy Court for the Northern District of Texas, Dallas Division and captioned *In re Highland Capital Management, L.P.*, Case No. 19-34054-sgj11;

WHEREAS, on October 15, 2021, the Trustee commenced the Adversary Proceeding by filing a complaint against Defendants [Docket No. 1] (the “Complaint”);

WHEREAS, on January 18, 2022, the Former Employee Defendants filed the *Motion to Stay the Adversary Proceeding Pending Resolution of the Motion to Withdraw the Reference* [Docket No. 30] (the “Stay Motion”) and other Defendants joined in the Stay Motion. More specifically, the following Defendants have joined in the Stay Motion:

- a. Defendants Mark A. Okada The Mark & Pamela Okada Family Trust – Exempt Trust #1 and Lawrence Tonomura in his Capacity as Trustee, and the Mark & Pamela Okada Family Trust – Exempt Trust #2 and Lawrence Tonomura in his

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<sup>2</sup> This Stipulation is entered into without waiver of each Defendant’s right to challenge the basis for jurisdiction of the court in this case.

Capacity is Trustee (the "Okada Parties") joined in the Stay Motion on January 21, 2022, by filing their *Joinder of the Okada Parties to the Former Employee Defendants' Motion to Stay the Adversary Proceeding Pending Resolution of the Motion to Withdraw the Reference* [Docket No. 38];

- b. Defendants NexPoint Advisors LP ("NPA") and Highland Capital Management Fund Advisors LP ("HCMFA") joined in the Stay Motion on January 24, 2022, by filing their *Joinder of Defendants NexPoint Advisors LP and Highland Capital Management Fund Advisors LP to the Former Employee Defendants' Motion to Stay the Adversary Proceeding Pending Resolution of the Motion to Withdraw the Reference* [Docket No. 41];
- c. Defendants James Dondero, Dugaboy Investment Trust, Get Good Trust, and Strand Advisors, Inc. (collectively, the "Dondero Defendants") joined in the Stay Motion on January 26, 2022, by filing their *Joinder of the Dondero Defendants to the Former Employee Defendants' Motion to Stay the Adversary Proceeding* [Docket No. 49]; and
- d. Defendant Grant James Scott joined in the Stay Motion on January 26, 2022, by filing his *Joinder of Defendant Grant James Scott to the Former Employee Defendants' Motion to Stay the Adversary Proceeding Pending Resolution of the Motion to Withdraw the Reference* [Docket No. 52].

WHEREAS, on January 24, 2022, the Former Employee Defendants filed the *Motion to Expedite the Motion to Stay the Adversary Proceeding Pending Resolution of the Motion to Withdraw the Reference* [Docket No. 43] (the "Motion to Expedite") and other Defendants have agreed to a stipulated resolution of the Motion to Expedite, including the Defendants listed above,

as well as Defendants CLO HoldCo, Ltd., Charitable DAF HoldCo, Ltd., Charitable DAF Fund, L.P., and Highland Dallas Foundation (collectively, the "Charitable Defendants"), as confirmed by their signatures below;

**NOW, THEREFORE**, it is hereby stipulated and agreed, and upon approval by the Court it shall be **SO ORDERED**:

1. The Motion to Expedite is resolved.
2. The deadline for the Trustee to file a response to the Stay Motion shall be February 8, 2022.
3. The Parties request that the Court schedule a hearing on the Stay Motion at the Court's earliest convenience after February 8, 2022.

Dated: January 27, 2022

Respectfully submitted,

**SIDLEY AUSTIN LLP**

/s/ Paige Holden Montgomery

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-and-

**QUINN EMANUEL URQUHART &  
SULLIVAN LLP**

Susheel Kirpalani (admitted *pro hac vice*)  
Deborah J. Newman (admitted *pro hac vice*)  
Robert Loigman (admitted *pro hac vice*)  
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Sub-Trust*

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/s/ John J. Kane

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and

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Ltd.*

**STINSON L.L.P.**

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/s/ Amy Ruhland

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and The Get Good Trust*

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*Counsel for Mark Okada, The Mark and  
Pamela Okada Family Trust – Exempt Trust  
#1, and The Mark and Pamela Okada Family  
Trust – Exempt Trust #2*

United States Bankruptcy Court  
Northern District of Texas

Kirschner,

Plaintiff

Adv. Proc. No. 21-03076-sgj

Dondero,

Defendant

**CERTIFICATE OF NOTICE**

District/off: 0539-3

User: admin

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Date Rcvd: Feb 11, 2022

Form ID: pdf001

Total Noticed: 5

The following symbols are used throughout this certificate:

**Symbol****Definition**  
+ Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.**Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Feb 13, 2022:**

Recip ID	Recipient Name and Address
dft	+ CPCM, LLC, c/o Ross & Smith, PC, Attn: Frances A. Smith, 700 N. Pearl Street, Suite 1610 Dallas, TX 75201-7459
dft	+ Highland Capital Management Fund Advisors, L.P., K&LGates LLP, c/o Stephen G. Topetzes, 1600 K Street, NW, Washington, DC 20006-2806
dft	+ Hunter Mountain Investment Trust, c/o E. P Keiffer, Rochelle McCullough, LLP, 325 North St. Paul St., Suite 4500, Dallas, TX 75201-3827
dft	+ NexPoint Advisors, L.P., K&L Gates LLP, c/o Stephen G. Topetzes, 1600 K Street, NW, Washington, DC 20006-2806

TOTAL: 4

**Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.**

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
ust	+ Email/Text: ustregion06.da.ecf@usdoj.gov	Feb 11 2022 21:30:00	United States Trustee, 1100 Commerce Street, Room 976, Dallas, TX 75242-0996

TOTAL: 1

**BYPASSED RECIPIENTS**

The following addresses were not sent this bankruptcy notice due to an undeliverable address, \*duplicate of an address listed above, \*P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
dft		MASSAND CAPITAL, INC.
dft		MASSAND CAPITAL, LLC
dft		SAS ASSET RECOVERY, LTD

TOTAL: 3 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

**NOTICE CERTIFICATION**

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Feb 13, 2022

Signature: /s/Joseph Speetjens**CM/ECF NOTICE OF ELECTRONIC FILING**

District/off: 0539-3

User: admin

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Date Recd: Feb 11, 2022

Form ID: pdf001

Total Noticed: 5

**The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on February 11, 2022 at the address(es) listed below:**

<b>Name</b>	<b>Email Address</b>
Brian D. Glueckstein	on behalf of Defendant MARK & PAMELA OKADA FAMILY TRUST EXEMPT TRUST #2 AND LAWRENCE TONOMURA IN HIS CAPACITY AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST EXEMPT TRUST #2 gluecksteinb@sullcrom.com
Brian D. Glueckstein	on behalf of Defendant Mark Okada gluecksteinb@sullcrom.com
Brian D. Glueckstein	on behalf of Defendant MARK & PAMELA OKADA FAMILY TRUST EXEMPT TRUST #1 AND LAWRENCE TONOMURA AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST EXEMPT TRUST #1 gluecksteinb@sullcrom.com
Cortney C. Thomas	on behalf of Defendant Mark Okada cort@brownfoxbill.com korourke@brownfoxbill.com
Cortney C. Thomas	on behalf of Defendant MARK & PAMELA OKADA FAMILY TRUST EXEMPT TRUST #2 AND LAWRENCE TONOMURA IN HIS CAPACITY AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST EXEMPT TRUST #2 cort@brownfoxbill.com korourke@brownfoxbill.com
Cortney C. Thomas	on behalf of Defendant MARK & PAMELA OKADA FAMILY TRUST EXEMPT TRUST #1 AND LAWRENCE TONOMURA AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST EXEMPT TRUST #1 cort@brownfoxbill.com korourke@brownfoxbill.com
Deborah Rose Deitsch-Perez	on behalf of Defendant NexPoint Advisors L.P. deborah.deitschperez@stinson.com, patricia.tomasky@stinson.com;kinga.mccoy@stinson.com
Deborah Rose Deitsch-Perez	on behalf of Defendant Highland Capital Management Fund Advisors L.P. deborah.deitschperez@stinson.com, patricia.tomasky@stinson.com;kinga.mccoy@stinson.com
Debra A Dandeneau	on behalf of Defendant Isaac Leventon debra.dandeneau@bakermckenzie.com blaire.cahn@bakermckenzie.com
Debra A Dandeneau	on behalf of Defendant Scott Ellington debra.dandeneau@bakermckenzie.com blaire.cahn@bakermckenzie.com
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Edwin Paul Keiffer	on behalf of Defendant RAND PE FUND I LP, SERIES 1 pkeiffer@romclaw.com, bwallace@romclaw.com
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Jason Michael Hopkins	on behalf of Defendant GET GOOD TRUST AND GRANT JAMES SCOTT III AS TRUSTEE OF GET GOOD TRUST jason.hopkins@dlapiper.com, jen.westin@dlapiper.com;jason-hopkins-2248@ecf.pacerpro.com
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Louis M. Phillips	on behalf of Defendant Charitable DAF Fund LP louis.phillips@kellyhart.com, june.alcantara-davis@kellyhart.com;Amelia.Hurt@kellyhart.com
Louis M. Phillips	

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Form ID: pdf001

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Total Noticed: 5

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TOTAL: 29